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YORK REGION TRANSIT STREET FURNITURE ADVERTISING OPTIONS

The Transit Committee recommends the following:

- 1. The presentation by Anne Marie Carroll, Assistant Manager, Operations, York Region Transit, regarding 'Street Furniture Advertising Options', be received;**
- 2. The deputation by Liz Gayford, C.F.O., Creative Outdoor Advertising, communication dated July 23, 2007, regarding Co-ordinated Street Furniture Program, be received;**
- 3. Recommendation 1 contained in the following report, September 20, 2007, from the General Manager, Transit be adopted; and**
- 4. Recommendation 2 be amended to read as follows:**
 - 2. York Region Transit staff be authorized to continue to pursue waste-recycling receptacles and benches as part of the Request for Proposal for the supply, installation, maintenance and associated revenue opportunities of co-ordinated street furniture with advertising at York Region Transit facilities based on a single RFP process incorporating three bid options (shelters only, street furniture only, or a combination of the two).**

1. RECOMMENDATIONS

It is recommended that:

1. The letter from Creative Outdoor Advertising, dated August 13, 2007, be received for information.
2. York Region Transit staff be authorized to continue to pursue waste-recycling receptacles and benches as part of the Request for Proposal for the supply, installation, maintenance and associated revenue opportunities of co-ordinated street furniture with advertising at York Region Transit facilities.

2. PURPOSE

This report responds to a request from Creative Outdoor Advertising to have the Region consider pursuing street furniture advertising under two separate programs and seeks authorization to continue to pursue waste-recycling receptacles and benches in the Request for Proposal (RFP) for the supply, installation, maintenance and associated revenue opportunities of co-ordinated street furniture with advertising at transit facilities.

3. BACKGROUND

Regional Council approved the following at the June 21, 2007, meeting with respect to the report on Co-ordinated Street Furniture at Transit Facilities:

1. York Region Transit staff be authorized to issue a Request for Proposal for the supply, installation, maintenance and associated revenue opportunities of co-ordinated street furniture with advertising at York Region Transit facilities for a fifteen-year term and report back to Regional Council with respect thereto.
2. Staff be authorized to consult with staff from the local municipalities in the Region to review opportunities to install street furniture at designated transit facilities on the road allowances under local municipal jurisdiction.
3. The Regional Clerk circulate this report to the local municipalities.

Since the approval, a letter has been received from Creative Outdoor Advertising (*Attachment 1*) requesting the Region consider pursuing street furniture advertising under two separate programs. It was requested that the main program exclude waste-recycling receptacles and benches, and focus on national bidders. The other program would be directed at local bidders and ask to provide aesthetically co-ordinated waste-recycling bins and benches.

4. ANALYSIS AND OPTIONS

Staff wish to seek out opportunities to improve the appearance and functionality of transit facilities, as well as maximize the capital and revenue benefits to the Region. This is achieved by pursuing the inclusion of waste-recycling receptacles and benches in the co-ordinated street furniture RFP at the expiry of the existing agreement with Creative Outdoor Advertising on November 30, 2010. As such, the Region would not pursue an option to extend the agreement for an undefined period.

4.1 Design Consistency

Co-ordinated street furniture represents an opportunity to improve the look, feel, functionality and image of Regional transit facilities. Street furniture consists of a variety of amenities installed in the public right-of-way for the use and convenience of the public.

After consulting with Mississauga Transit and the City of Toronto, it was determined that it would be preferable to have one contract encompassing all elements, which may involve one company or a consortium of smaller companies with a lead proponent. A central point was that one contract would address YRT's desire of achieving a cohesive

design standard which would ensure that all elements work together. In turn, this improvement would encourage the reduction of bus stop clutter and facilitate efficient maintenance.

4.2 Administration and Management

Administration and management of a single contract would be more efficient from an operations and maintenance perspective in terms of tracking contractor responsibilities, co-ordinating construction, addressing concerns and service issues, as well as overall accountability. A single contract would also assist in avoiding varying levels of service compliance.

The Region's interests, in terms of co-ordination and placement, service, and contract management, are best served by one contract encompassing all street furniture elements.

4.3 Advertising Markets

The letter from Creative Outdoor Advertising briefly describes two forms of advertising sales, national and local, and states that firms tend to specialize in one or the other, with no overlap.

To address this, the RFP will encourage firms to seek out partnerships in order to maximize the advertising potential in both the national and local markets. The proponents' ability to service both markets will be included as part of the evaluation of the RFP.

4.4 Relationship to Vision 2026

Continuing to include waste-recycling receptacles and benches as part of the RFP for the supply, installation, and maintenance of co-ordinated street furniture at transit facilities supports Vision 2026 by utilizing the guiding principle of: "Partnerships: Co-ordinating, supporting and enhancing services through partnerships with area municipalities, other governments, community agencies and the private sector" as well as supports the goals of "infrastructure for a growing region" and "managing and minimizing waste."

5. FINANCIAL IMPLICATIONS

Based on the known parameters of the transit shelter and waste-recycling receptacle agreements, it can be established that there is a value associated with advertising under a street furniture program. All agreements currently generate sufficient revenues to cover all capital and annual maintenance and operating expenses and, over and above, provide a cash payment to the Region.

The waste-recycling advertising agreement currently provides a minimum monthly payment to the Region of \$8 per unit or five percent of the annual advertising net revenue dollars, whichever is greater. In 2006, approximately \$32,000, which equates to five percent of the annual advertising net revenue dollars, was paid to the Region. By

comparison, the bus shelter advertising agreements currently provide annual guaranteed revenue dollars of \$400,000 or thirteen percent of advertising net revenues, whichever is greater. In 2006, the \$400,000 minimum payment was received and equated to approximately twenty percent of advertising net revenues.

When the Region was soliciting interest in a waste-recycling advertising project through a Request for Qualifications (RFQ) in 2005, staff received only one response, which was from Creative Outdoor Advertising. The inclusion of the waste-recycling component in the co-ordinated street furniture RFP will encourage competition in the marketplace and ideally generate higher revenue for the Region. As the existing transit shelter advertising agreements currently provide approximately twenty percent of the net advertising revenue to the Region, it is expected that an agreement including all elements of a co-ordinated street furniture program will continue to provide that minimum.

6. LOCAL MUNICIPAL IMPACT

The co-ordination of street furniture at transit facilities will assist with the organization of amenities within the municipal right-of-way while providing a safe, clean, and comfortable environment for the transit rider, improving the appeal of the public transit system. Increased transit ridership reduces the number of personal vehicles using local and Regional roads.

7. CONCLUSION

YRT staff have concluded that a co-ordinated street furniture program, including both national and local advertising formats, will improve the look, functionality and image of Regional transit facilities through a cohesive design that will be both efficient and effective, and which could potentially be one-hundred percent funded by advertising revenues.

It is recommended that staff continue to pursue waste-recycling receptacles and benches in the RFP for the supply, installation, maintenance and associated revenue opportunities of co-ordinated street furniture with advertising at transit facilities.

For more information on this report contact Rick Takagi, Manager, Operations (Ext. 5624) or Joshua Scholten, Facilities Supervisor (Ext. 5696) of the Transit Branch in the Transportation and Works Department.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)